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December 2, 2009

The Honorable Harry Reid Majority Leader United State Senate S-221, U.S. Capitol Washington, D.C. 20510

Dear Leader Reid:

AARP supports moving forward on health care reform, and we remain committed to enacting legislation this year that protects and strengthens Medicare, improves the delivery of health care and provides affordable insurance for all. Accordingly, we oppose the amendment offered by Senator McCain to recommit H.R. 3590 to the Senate Finance Committee.

As we have said from the outset, AARP supports a balance of revenues and savings with shared responsibility from individuals, employers and the government. With respect to Medicare, AARP supports policies to eliminate waste, fraud and abuse – and to improve the quality, value and sustainability of the program for current and future beneficiaries. The legislation before the Senate properly focuses on provider reimbursement reforms to achieve these important policy objectives. Most importantly, the legislation does not reduce any guaranteed Medicare benefits.

AARP believes that savings can be found in Medicare through smart, targeted changes aimed at improving health care delivery, eliminating waste and inefficiency, and aggressively weeding out fraud and abuse. Such changes will help strengthen Medicare's long-term financing without increasing costs for beneficiaries that make health care less affordable. Medicare provides critical health security to older Americans, and it is important that Medicare continue to deliver high quality care. As health care costs, including Medicare costs, continue to skyrocket, it is essential that we make changes to improve health care delivery, improve Medicare's financing, and ensure maximum value for our Medicare dollars. We believe that Medicare changes in this bill begin to move us down this path, without reducing guaranteed Medicare benefits.

With these savings, the legislation before the Senate takes important steps to improve access to preventive services for Medicare beneficiaries. However, more should be done to strengthen Medicare – including closing the Medicare Part D coverage gap, or "doughnut hole," as pledged by the President.

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We therefore urge you to oppose the McCain amendment to recommit, and we remain firmly committed to working with you to strengthen Medicare and enact comprehensive health care reform this year that improves access and affordability of health care for all.

Sincerely,

Addison Barry Rand



Secretary-Treasurer **Ruben Burks**

December 1, 2009

Dear Senator,

The Alliance for Retired Americans, on behalf of its nearly four million members throughout the nation, opposes the motion by Senator John McCain to commit the Patient Protection and Affordable Care America Act, H.R. 3590, to the Finance Committee. We urge its prompt defeat by the Senate.

The McCain motion to commit would seriously undermine important, substantive, and positive changes in the health care needs of older Americans contained in the bill, none more important than proposed Medicare improvements. In fact, the McCain motion would increase health care burdens on Medicare beneficiaries in several instances. The McCain motion would, for the first time, subject Medicare Part D prescription drug premiums to means testing, causing a rise in premiums for many older Americans. In addition, the motion to commit would halt indexing to Medicare Part B physicians services premiums, causing even more seniors to pay higher premiums, which currently can be as much as \$300 per month. Furthermore, the McCain motion would continue the wasteful Medicare Advantage overpayments that currently threaten the financial stability of the Medicare Trust Fund.

The Alliance supports provisions in the Patient Protection and Affordable Care Act that improve health care for older Americans such as allowing Medicare beneficiaries to keep their choice of doctors, lowering prescription drug costs, eliminating copayments for preventive screenings, expanding access to long term supports and service, and providing assistance for pre-Medicare eligible early retirees. All of these improvements will not be possible should the McCain motion pass.

The legislation does not cut Medicare benefits. With the expected rising costs of Medicare, the legislation slows the rate of the program's growth without reducing benefits. The McCain motion would actually undercut fiscally responsible attempts to meet the challenges of providing health care for older Americans.

The Alliance for Retired Americans is committed to enacting legislation that improves the quality of life for retirees and all Americans. Defeat of the McCain motion to commit the Patient Protection and Affordable Care Act to the Finance Committee will directly benefit our members and more than forty million older Americans. If we can be of assistance, please contact Richard Fiesta, Director of Government and Political Affairs, at the Alliance.

Sincerely yours,

Barbara J. Easterling

President

Ruben Burks Secretary-Treasurer

Ruben Burks Stud Gly Edward F. Coyle **Executive Director**



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December 1, 2009

United States Senate Washington, DC 20510

Dear Senator:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I am writing to express our opposition to the amendment offered by Senator McCain which would recommit H.R. 3590, the *Patient Protection and Affordable Care Act*, to the Senate Finance Committee with instructions to remove important Medicare provisions.

Much of the rhetoric from opponents of health care reform is intended to frighten our nation's seniors by persuading them that Medicare will be cut and their benefits reduced so that they too will oppose this legislation. The fact is that H.R. 3590, the *Patient Protection and Affordable Care Act*, does not cut Medicare benefits; rather it includes provisions to ensure that seniors receive high-quality care and the best value for our Medicare dollars. This legislation makes important improvements to Medicare which are intended to manage costs by improving the delivery of care and to eliminate wasteful spending.

The National Committee opposes any cuts to <u>Medicare benefits</u>. Protecting the Medicare program, along with Social Security, has been our key mission since our founding 25 years ago and remains our top priority today. In fact, these programs are critical lifelines to today's retirees, and we believe they will be even more important to future generations. But we also know that the cost of paying for seniors' health care keeps rising, even with Medicare paying a large portion of the bill. That is why we at the National Committee support savings in the Medicare program that will help lower costs. Wringing out fraud, waste and inefficiency in Medicare is critical for both the federal government and for every Medicare beneficiary.

The Senate bill attempts to *slow the rate of growth* in Medicare spending by two to three percent, or not quite \$500 billion, over the next 10 years. However, it is important to remember that the program will continue growing during this time. Medicare will be spending increasing amounts of money – and providers will be receiving increased reimbursements – on a per capita basis every one of those years, for a total of almost \$9 trillion over the entire decade. Even with the savings in the Senate bill, we will still be spending more money per beneficiary on Medicare in the coming decades, though not quite as much as we would be spending if the bill fails to pass.

America's seniors have a major stake in the health care reform debate as the skyrocketing costs of health care are especially challenging for those on fixed incomes. Not a single penny of the savings in the Senate bill will come out of the pockets of beneficiaries in the traditional Medicare program. The Medicare savings included in H.R. 3590, the *Patient Protection and Affordable Care Act*, will positively impact millions of Medicare beneficiaries by slowing the rate of increase in out-of-pocket costs and improving benefits; and it will extend the solvency of the Medicare Trust Fund by five years. To us, this is a win-win for seniors and the Medicare program.

The National Committee urges you to oppose the motion to recommit the bill to the Finance Committee with instructions to strike important Medicare provisions from health care reform legislation.

Cordially,

Barbara B. Kennelly President & CEO

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